Ike Adopts The New Deal, But Will That Be Enough? See Page Two

I. F. Stone's Weekly

VOL. 2, NUMBER 3 FEBRUARY 8, 1954 WASHINGTON, D. C. 15 CENTS

The Silence In The Senate

The Senate, particularly its Democratic membership, presented an appalling spectacle of cowardice during the debate which ended with approval of $214,000 for the McCarthy committee. Not a single voice was raised in support of Ellender's (D. La.) one-man fight to cut McCarthy's funds and force him to confine the Government Operations Committee to the limits established by the Reorganization Act of 1946. Langer (R. N. Dak) defended McCarthy against the charge of duplicating the work of the Jenner committee. Cooper (R. Ky.) alone suggested weakly that the Senate could not long escape the responsibility of providing some code of fair procedure for these committees. Morse (Ind. Oregon) thereupon objected to making any such rules a condition of the appropriation and insisted that McCarthy had made out a "primie facie" case for the funds he asked. This year, like last, Morse put a spoke in the wheels of Ellender's one-man crusade. Most shamefully of all, though McCarthy taunted them with "twenty years of treason," not a single Democrat rose to defend the party and Fulbright (D. Ark.) cast the only vote against the appropriation. The Ft. Monmouth hearings have been thoroughly discredited, yet except for Ellender no Senator dared question them. One has to go back to Tacitus and the Roman Senate in its more degenerate days to match what happened here last Tuesday.

Subverted Into Stability?

Yet the Democrats had a ready answer. On the plane of political campaigning, the Republicans offer "warmed over spy"—the notion that the New Deal period was one in which America was infiltrated, betrayed and subverted. But when the Eisenhower Economic Report swings into a pep talk for business men to counter what have been termed "Communistic" efforts to undermine business, what does it cite as "Basis for Confidence"? Insurance of bank deposits, curbs on speculation, jobless insurance, farm price supports, social security, Federal aid to housing. These, in the opinion of Eisenhower and his advisers, have made America more immune to depression, more stable. Yet these reforms were the handiwork of those same "traitors." It's an odd kind of subversion that subverts a country into greater stability. And it's even odder to have the men who accomplished this and led America to victory against Hitler called treasonable by a Senator who had the effrontery to defend the SS men who butchered American prisoners after the Battle of the Bulge.

The Molotov Kettle and the Dulles Pot

At Berlin last Tuesday Dulles said Molotov was not infallible, citing the Russian's speech of October 31, 1939, condemning France and Britain as the aggressors in the European war. But three days earlier on October 28, 1939, Dulles made a speech in New York in which he blamed the war on the "resentment, bitterness and desperation" felt by the Germans, Italians and Japanese over the "inequalities" to which they have been subjected and declared that the U.S. could only build a peaceful world by staying out of the conflict (*NY Times*, Oct. 29, 1939). Earlier, in March of that year, he joined Burton K. Wheeler in declaring (*NY Times*, March 23, 1939) that the prospects of peace would be worsened if we supported Britain and France against the Axis. His biggest claim to a fallibility as great as Molotov's is the speech Dulles made before the Economic Club of New York in March, 1939, saying "only hysteria believes that Germany, Italy or Japan contemplates war against us." (*New Yorker*, Sept. 2, 1944).

German Blueprint

The Germans hope not only for the failure of the Berlin conference (pretty much a foregone conclusion) but also for worsened relations between the U.S. on the one hand and the British and French on the other. They hope the U.S. will look to Germany as its main ally in Europe. In an atmosphere of "disillusion" with France and annoyance with Britain, Bonn believes it can achieve two major objectives. One is for a large-scale American loan to finance rearmament and the other is for the return of the key German chemical, drug and dye firms seized here during the war. A Senate Judiciary subcommittee issued a report last week implying that seizure of such concerns as General Aniline & Film, General Dyestuffs and Schering was the handiwork of Harry Dexter White and other "plotters", that it undercut our interest in building "a strong Western Germany and Japan as bulwarks against further Communist aggression" and that these companies should be returned.

Suspicious Character

There's a fellow over at the Pentagon who has us worried. Last May 19 he told a Senate Appropriations subcommittee the Soviet air force was primarily defensive. Just recently, on January 28, in a speech before the Women's Forum on National Security, he said he was getting "impatient with people who seem to think that blood spilling and jobs are synonymous." Then last week at press conference he said too many Americans were guilty of "rattling the atomic bomb." It's fortunate for him that he is not only Secretary of Defense but also former head of General Motors or there would have been a flood of subpoenas. We take our hat off to Charles E. Wilson. In his case what was good for General Motors is proving good for the country. That's a humbling paradox for some of our more simple-minded radicals.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Ike Adopts The New Deal—But Will That Be Enough?

The Economic Report and The Economic Outlook

The Worse The Better? Some people on the Left look forward to a depression as a solution for current political problems. They believe hard times will revive labor militancy and progressivism. But a severe slump would offer a boom market for those witch-hunters prepared to add social demagogy to their political repertoire. The recovery of sanity in American society is more likely to follow successful readjustment to a peacetime economy.

The Hopeful Side: of the new Economic Report and of the President's message submitting it to Congress lies (1) in its stress on the possibility of "a prosperity based on peace" and (2) its whole-hearted adoption of the New Deal point of view. Eisenhower takes for granted that government "must use its vast power to help maintain employment and purchasing power" and talks of building "a floor over the pit of personal disaster."

The Real Questions: Are (1) whether the group of men who make up the Eisenhower Administration have the resolution and the leadership capacity to apply New Deal principles against a slump strongly and soon enough and (2) whether New Dealism is enough to cope with economic crisis.

Pollyanna, Not Cassandra: The new Economic Report, like its predecessors, is as vague, wordy and ambivalent as any ancient oracle. It opens a la Pollyanna, and only allows the Cassandra to peep out in the latter pages and in the statistical tables, perhaps on the assumption that our businessmen are too sensitive and high strung to be told the truth all at once and will not have the intellectual patience to read beyond the opening pages.

The Farm Crisis: Thus the Economic Report does not really get down to brass tacks on this until page 89. There it appears that since 1947 (despite price supports and the Korean war) real net farm income per farm has fallen one-third. The New Deal system of parity support prices seems to be no more than an emergency palliative, intensifying basic difficulties and doing little for the poorest strata of farmer.

Fundamental Imbalances: Are illuminated by one vivid passage. Price supports are based on 1910-14 cost price relationships. But since that "parity" period "the cost in man-hours of producing a bushel of wheat declined more than two-thirds, the cost of producing a bale of cotton nearly one-half." The failure of support prices to reflect this has been pricing both out of the world market. "In 1953," the report says, "our wheat production was 1,169 million bushels, compared with an annual average of 724 million in 1910-14. Yet annual food consumption of wheat was virtually the same (about 400 million bushels) in 1953 as forty years earlier." Only in world wars can we dispose of these huge surpluses. "The same is true for cotton," the report goes on. "Production in 1953 was 2.2 million bales greater than the 1910-14 average but, during the current year, domestic consumption plus exports is expected to be 1.9 million bales LESS than four decades ago . . ." Substantial increases have occurred in the per capita consumption of fibres but these have been captured by the synthetic fibres.

The problems of wheat and cotton require more complex measures of planning than those applied by the New Deal. In a socialist society, the problem would not be met by subsidizing high cost production nor by diverting acreage to other crops already in ample supply but by providing greater industrialization to draw unnecessary labor power away from the wheat and cotton fields.

Maldistribution and the Untouched Rural Poor: The New Deal farm program was geared to the status quo. The results may be seen in the Economic Report (p. 92). In 1949, 22 percent of the nation's farms accounted for 73 percent of the Nation's gross cash farm marketings. At the same time, at the bottom, 29 percent of the nation's farm families had cash incomes of less than $1,000 a year and these "produced too little for sale to benefit appreciably from farm price supports, however high."

An Inventory Slump? The Eisenhower Administration is willing to be more realistic about the longer range farm problem than the immediate problem of peacetime prosperity; the industrial and financial groups so influential in the G.O.P. have long been opposed to supports for agriculture. The Economic Report provides no such drastic sidelight on the question of utilizing our vastly expanded industrial capacity for peacetime civilian markets. The recession which began last year is rather wistfully pictured as a mere slump in spending for inventories. On the contrary—

Understatement of the Year

"Employment in January, 1954, is somewhat lower than in January, 1953. There seems to be a connection between this fact and the fact that in January, 1953, we were still fighting in Korea and are not doing so today."

—Eisenhower's Message on the Economic Report

An Almost Instinctive, Organic Reaction seems to have taken place in the economic system on the approach of peace. Discussing last year's shrinkage in the labor force, the report discloses (pages 150-51) that in April of last year "following the sudden and well-publicized yielding of China on the prisoner-repatriation issue on March 28, the civilian labor force, instead of rising as usual by 500,000 in that spring month, fell by 300,000—a net decline in the seasonally adjusted labor force of 800,000 . . . An earlier instance under somewhat analogous circumstances," the report goes on, "occurred in early 1945, at about the time the German armies were breaking up . . . Some of the withdrawals and the failure to enter seasonally were by persons expecting an early return of husbands, brothers, sons or fiances."

The Unemployment Figures understate the loss of purchasing power to the market. While 1.9 million people are listed as jobless in December, 1953, about 350,000 youths had gone back to school and 800,000 women back to keeping house in that month. The real shrinkage, in terms of the market, was a decline of more than 3,000,000 in the number of wage-earners.

How Cushion A Slump: The Economic Report, facing a slump, recognizes that the New Deal cushions on which it depends are not as extensive or deep as they should be. Of 48,000,000 non-agricultural workers, only 36,000,000 are covered (inadequately) by jobless insurance and only 28,500,000 by (inadequate) minimum wage laws. The report suggests higher jobless insurance but stops short on the threshold of suggesting an increase in the present 75 cent an hour minimum wage law.

Prognosis: Business may bounce back on its own, but judging by the experience of the past three decades there may be a real slump ahead. The day of bank panics and soup kitchens are over, but the public works on which the Economic Report principally relies for pump-priming would be too puny a weapon. For all the New Deal's efforts, it took a world war to wipe out the unemployment of the thirties. The war and the cold war greatly expanded industrial capacity, intensifying the old problem of want amid plenty. The G.O.P. has been converted in theory to New Dealism, but is still *laissez faire* by instinct. It will act, but almost certainly with too little and too late.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

I. F. Stone's Weekly

• *Editor and Publisher*, I. F. STONE

Published weekly except the last two weeks of August at Room 205, 301 E. Capitol St., S.E., Washington 3, D. C. Subscription rates: Domestic, $5 a year; Canada, Mexico and elsewhere in the Western Hemisphere, $6; England and Continental Europe, $10 by 1st class mail, $15 by air; for Israel, Asia, Australia and Africa, $10 by first class mail, $20 by air mail. Single copy, 15 cents. Tel.: LI 4-7087. Entered as Second Class mail matter, Post Office, Washington, D. C.

February 8, 1954 Vol. 2, No. 3

A Brave Lawyer Passes

Whatever one may think of the way the Rosenberg campaign was waged, their lawyer, Emanuel H. Bloch, showed a courage and a devotion in their defense which was in the best tradition of his profession. His sudden death is tragic; he wore himself out in the Rosenberg case. No doubt the disciplinary proceeding begun against him by the Association of the Bar of the City of New York added to the strain. This proceeding was a scandal. At a time when so few members of the American bar are willing to defend unpopular clients, Bloch deserved commendation not discipline. Is there some way to force the Bar Association to go through with this proceeding posthumously, and to rally in Bloch's defense the kind of testimonial he deserved?

Glittering Evasion

The Pennsylvania Supreme Court in the Nelson case said the extreme unpopularity of the defendant made it "especially incumbent" on his judges to "scrutinize the record with utmost care" but then proceeded to dodge the questions raised. Nelson was not given adequate time to obtain counsel. The trial judge was a leading spirit in a Pittsburgh witch hunting organization which had demanded Nelson's indictment. The chief witness against him was a judge of the court in which he was tried.

With all these infractions of due process, the Court said "we need not now be concerned." It held that Pennsylvania's State sedition law of 1919 under which Nelson had been sentenced to 20 years in prison was superseded by the Federal Smith Act of 1940, under which Nelson has been separately sentenced to five years in jail. The Court relied principally on *Hines v. Davidowitz* (312 U.S. 52) in which the U.S. Supreme Court held that Pennsylvania's Alien Registration Act of 1939 was suspended by the Federal alien registration act of 1940 (another part of the Smith Alien and Sedition Act). The State Court also held that under Article IV, Section 4, of the U.S. Constitution, guaranteeing every State in the Union a Republican form of government, sedition is the special province of the Federal government.

Were this a U.S. Supreme Court decision, there would be ground for jubilation; several dozen State sedition and criminal syndicalism laws would be invalidated. Unfortunately the Pennsylvania decision is being appealed, and there is slight chance of mustering a majority to uphold it on the U.S. Supreme Court. The defendant is a hounded man; the measure of the sensational charges made against him is to be found in the vagueness of the State "seditious utterance" and Federal "conspiracy to advocate" charges on which he has been prosecuted. Nelson deserved something better from Pennsylvania's highest court than this glittering evasion of fundamental issues. Nelson did not get a fair trial; the "sedition" charged was spurious; the state law as applied is an unconstitutional interference with freedom of political opinion.

Freedom of the Press Note

One of this year's recommendations by the House Un-American Activities Committee is that the use of the U.S. mails under the second class mailing privileges be forbidden "to subversive publications emanating either from foreign sources or from sources within the United States" and that the Internal Security Act of 1950 be amended to permit the citing of such publications as "subversive." The Act already provides for the labelling of Communist publications. The "subversive" label would extend the process one step further.

Fustest With The Leastest

Of course old General Bedford Forrest was right. Anyone can win a battle who gets there "fustest with the mostest" men. The real feat is to get there "fustest with the leastest." Though a one-man job playing the field against well-staffed competitors, the *Weekly* has been getting there "fustest with the leastest" over and over again.

Example: The *New Republic* for February 1 tells the story about the early relations between the new Federal Communications Commissioner Robert E. Lee and McCarthy. The *Weekly* told the story in its issue of last October 17, "The Man Who Rescued McCarthy."

Example: *The Nation* for January 30 published the first of two excellent articles by Norman Redlich, "*The Truth About Spies in Government.*" *The Weekly told the same story (publishing many of the same details for the first time) in a series of three issues beginning last November 14.*

Example: *The New York Times* in a series of three arficles by that first-rate reporter, Peter Kihss, on January 11, 12, 13 debunked McCarthy's Fort Monmouth hearings as did Walter Millis and Murray Marder earlier in the *New York Herald-Tribune* and *The Washington Post*. The *Weekly* beat all three of them with "McCarthy's Hoax and the Real Radar Scandal" in its issue of October 24. And no paper has yet dared touch the story we printed in the same issue on how RCA got the secret of radar out of Fort Monmouth and then tipped it to the Axis before the war.

The *Weekly* is "leastest" in manpower but often "fustest" in news coverage out of Washington, especially on issues others find too hot to handle. But we still need the "mostest" possible readers. If you haven't yet renewed, please do so today (we will soon begin dropping those who have failed to do so). If you have renewed, send a gift sub to a friend. Use the blank on the reverse side.

P.S. We have extra copies of last week's issue on Ike's bill to turn native born radicals into deportable aliens available for distribution. That was another "beat" by the *Weekly*, like our special issue on the McCarran immunity bill last July 18. Help alert others to the danger by sending out extra copies of last week's issue. —I. F. STONE

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

JENNINGS PERRY'S PAGE

Turncoatism Depends on Whose Coat Turned

As good Americans, all, we must of course trust that before the country gets the case of Cpl. Edward S. Dickenson off its conscience a great many compassionate and willing diagnosticians are enabled to take a whack at it, but especially Rep. William C. Wampler. For the Virginia congressman (Rep.) has an approach as striking as it is humane: to him the corporal, who once decided to stay with the Reds and then thought better of it, is "a mere country boy victimized by a shrewd propaganda technique."

This is a line of defense which opens to all sorts of possibilities. Here was Ed, growing up out in the hills and just of an age to begin the pursuit of happiness in earnest, when along came the great nation and plucked him out of his sheltered place at Cracker's Neck and sent him into the world and its temptations. Had he been left alone he never would have heard mention of Marx (Who would have dared?), never would have been held and wooed under the Hammer & Sickle.

Evidently, the congressman is prepared to show that it was not the corporal's fault that he was exposed to the "shrewd propaganda technique," and to make for him a plain case of service-connected disability. To show that if he had contracted the fever, the dysentery or the ring-worm (to all of which he as well might have been exposed without his let), the same great nation now would be ministering to him gently and gratefully, and for the rest of his life if need be.

The contention is reasonable and deserves respectful consideration—though it is capable of cutting a wider swath than Rep. Wampler has in mind. The corporal turned coat twice and came home, but 21 other American soldiers have stopped with the Reds. All 21 have been given dishonorable discharges. But if Wampler's case for Dickenson stands up why the "dishonorable" in the other cases? All were country boys alike, so to speak. Could not all have been equally "victimized"—and still be?

And the swath must be wider than that, it seems, unless the congressman's sweet and trenchant reasoning is to apply only to the case of his own constituent or, at most, to Americans. The other side had far more turncoats than ours—by the thousands . . . boys drawn from Chinese Cracker's Necks and Korean Cracker's Necks with no more say in the matter than Cpl. Dickenson had, who were held in our prison camps and exposed to shrewd (one must assume) propaganda techniques. Are these thousands to be left tarred with the same tar we put on the Americans, being turncoats also?

The present adherence of these prisoners to our side has been hailed by the Voice of America as establishing "the right to freely choose." Ambassador Henry Cabot Lodge, Jr., has said the event was "victory for freedom everywhere." Well and good . . . But are we to recognize a virtue in free choice only when the side chosen is our own? And is desertion to be stigmatized only when our own soldiers desert?

Personally, I like the plea Rep. Wampler is developing in behalf of Cpl. Dickenson and which he declares himself ready to advance in any court-martial. The corporal's disability, if any, *is* service-connected. He was—like millions of others—a mere country boy, and has a right to ask the nation which plucked him out of his backwoods, and especially those who judge him who do not know the difference between their armchair at home and a prisoner-of-war camp at the end of the world, to accord him at least as fair a standing as is without question accorded the thousands of turncoats who were yesterday's mortal enemies.

Our conscience cannot avoid the issue when reason refuses to be "victimized." For we may say it is the military rule which must be upheld. But whose military is it? And what rule of any instrument of a democracy is so vested that an elemental sense of fair play should not overrule it?

When we proclaim to all the world "the right to freely choose," we cannot decently at the same time impose trial and disgrace upon those who have dared to take us at our word and have chosen to the best of their ability.

If You Have Not Yet Subcribed or Renewed, Please Help By Doing So Now

This Is Expiration Time

PLEASE RENEW NOW

I. F. Stone's Weekly, 301 E. Capitol, Wash. 3, D. C.

Please renew (or enter) my sub for the enclosed $5:

Name _____

Street _____

City _____ **Zone** _____ **State** _____

Enter this gift sub for $4 more (money enclosed):

(To) Name _____

Street _____

City _____ **Zone** _____ **State** _____

2-8-54

I. F. Stone's Weekly
Room 205
301 E. Capitol St., S.E.
Washington 3, D. C.

NEWSPAPER

Entered as
Second Class Mail
Matter
Washington, D. C.
Post Office

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED